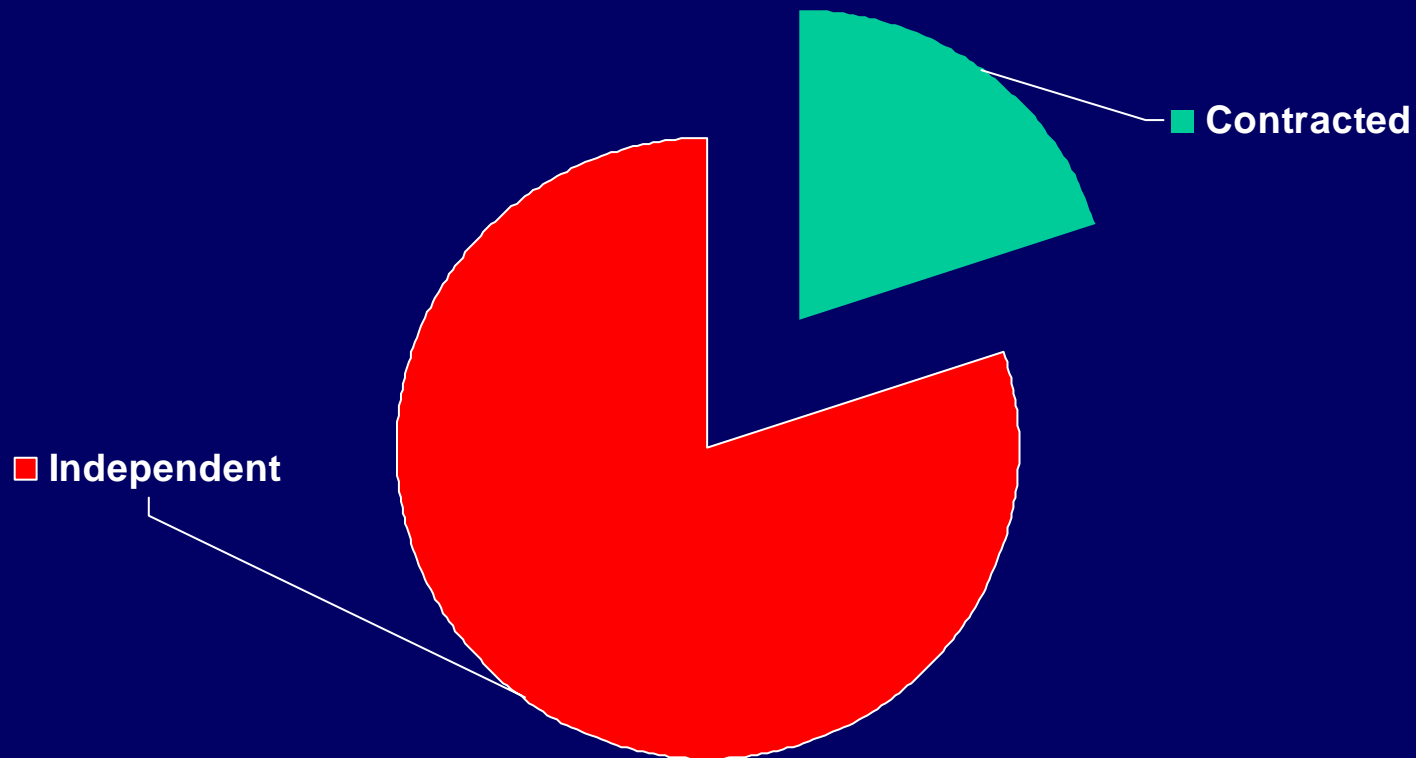
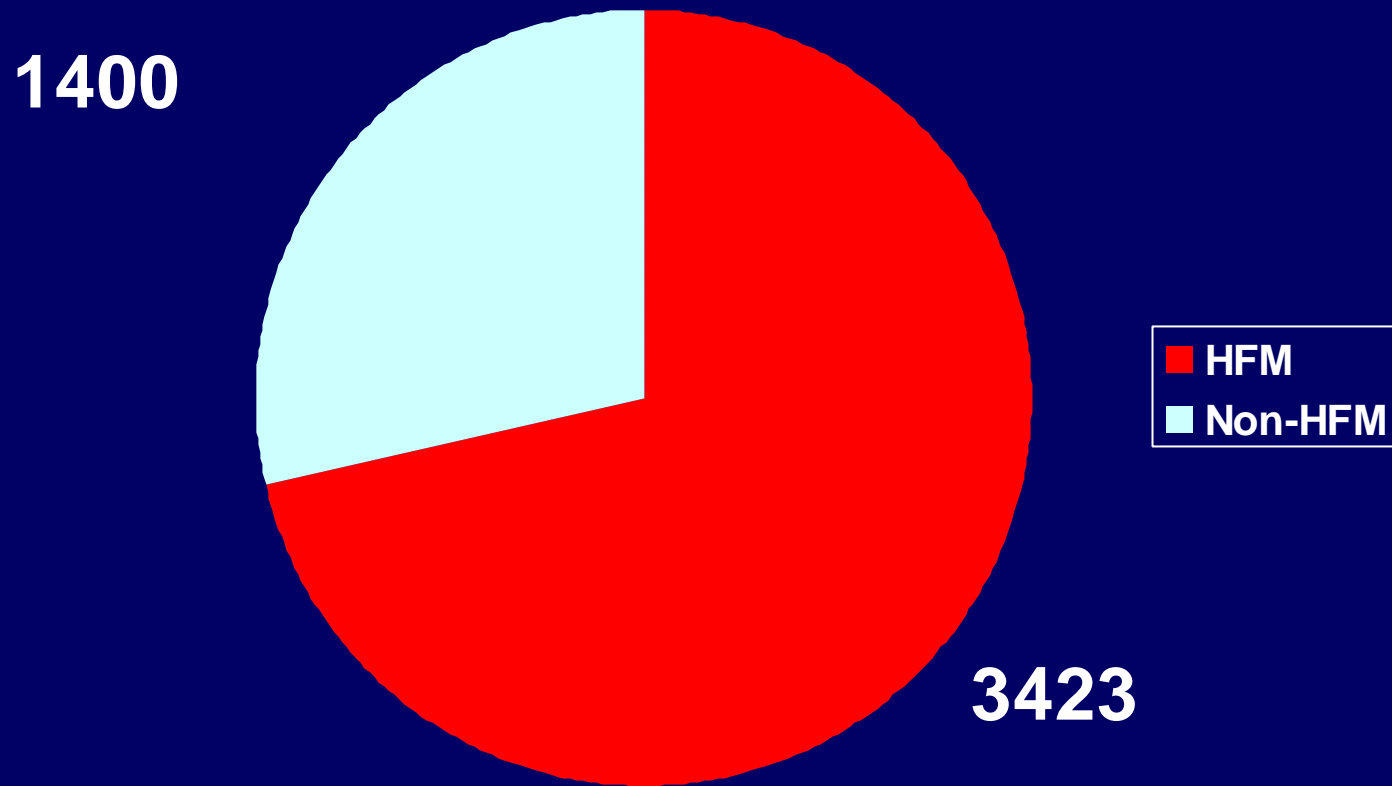


# Slides for Army draft

# Contracted vs. Independent



# HFM Market Share



# Food + Service



**Married for life!**

# HFM EXPRESS

Benchmarking and Networking in 30 minutes or less.

# ***HFM EXPRESS™***

***Benchmarking and Networking in 30 minutes or less***

- Financial & Productivity
  - For acute care and extended care operations
- Patient Satisfaction
- Resident Satisfaction
- Cafe Customer Satisfaction

**Financial and Productivity Programs sponsored by:**

Pepsi, AmeriNet, Distribution Market Advantage.

**Satisfaction Programs sponsored by:**

Sysco Corporation, Consorta



# Most Common Reasons for not benchmarking

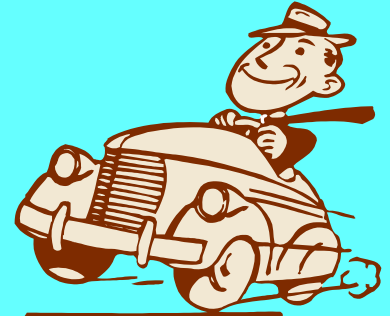
- I'm too busy
- I don't know how and I'm afraid to ask
- No one is asking me for this data
- I already know my numbers are good- I don't need to take the time to benchmark
- My facility is too unique to be compared with others

# The Reality

- **Benchmarking is critical to your professional career- it helps you run a better operation**
- **Food service is important for staff moral and visitor/patient satisfaction**
- **Real data allows you to demonstrate value to management**
- **If you are really unique, how could administration consider outsourcing?**



# Top Reasons to Benchmark



1. Puts you in the driver's seat.
2. Identifies strengths and weaknesses.
3. Improved goal setting and decision making.
4. Improves efficiency and cost effectiveness.
5. Improve customer satisfaction.
6. Develop accurate performance measures.
7. It's free to all HFM members.
8. It only takes 30 minutes a month.

# Where was I Before HFM EXPRESS?

- Flying by the seat of my pants, taking no action – didn't know what action to take!
- Taking action – but not the right one!
- Losing sight of the patient & resident!
- Jumping to a solution before understanding the issue or process!
- Starting and never finishing!
- Achieving success but not sustaining improvement!

# Communication and Plans

## To Health Care Executive:

- “ I need to share information with you”
- “Don’t panic”
- **My Goal: Make sustainable changes to the operation that do not undermine patient satisfaction scores.**

### Remember- Quality Service/Care

- “Using the benchmarking data, this is what we need to do.....”

# The Results

<u>Results:</u>	2001	Nov. 2004
• Net Cost Per Patient day =	\$34.65	\$20.03
• Labor Hours Per Meal =	.22	.10
• Meals Per Hour =	4.63	10.05
• % of Patient Meals =	33 %	22%
• Labor Cost Per Meal =	\$3.08	\$1.72
• Food \$ per meal =	\$2.23	\$1.95
• Net Cost Per Patient Day Avg. \$24.01 for the year 2004		

# Lessons Learned

- **Getting started was scary**
- **What was once dreaded is now looked forward to**
- **We have our finger on the pulse of our department**
- **Graphing data proves your point without words**
- **Get started before you are asked to**

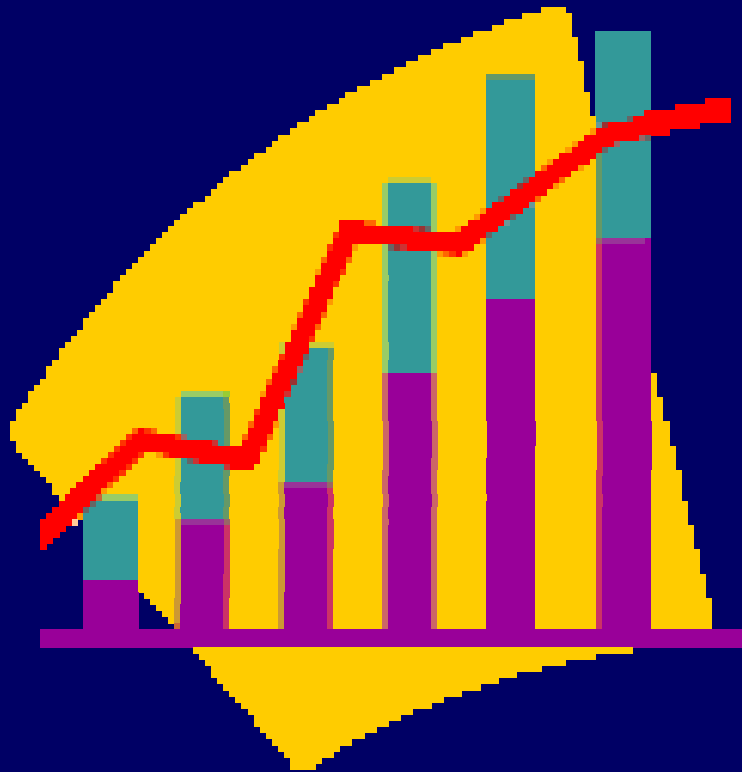
# Lessons Learned (cont.)

- **Show the impact of feeding the medical staff for free!**
- **NETWORKING!!!**
- **Basis for setting yearly goals, gathering data for key indicators, and proving performance in relation to goals**
- **Know your Revenue and Expense reports inside and out!**

# Lessons Learned (cont.)

- **Connect with your accounting department and management systems**
- **Clear concise results for department management and staff**
- **Confidence**

# Why does it matter how we count meals?





# Who's Counting and How?

- The facility buyer
- The Food Service Director
- The design consultant
- The operations consultant
- The equipment supplier
- Someone else



# There is a national standard

For the first time in 40 years, the two largest healthcare benchmarking organizations and the largest healthcare management consultant agree.!!!



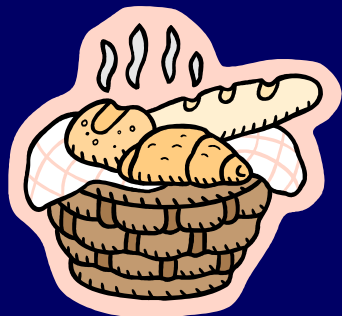
# The players

- **Solucient, Inc** (benchmarks 272 different departments in over 1,000 hospitals across the United States)
- **HFM** (benchmarks over 750 hospital food service operations and 150 extended care food service operations across the United States and Canada)
- **Cap Gemini-Ernst and Young** (one of the largest healthcare management consulting firms in North America)



# Average Cash Café Transaction vs. Market Basket

**Market Basket:** five oz.(pre-cooked weight) boneless, skinless chicken breast; ½ cup mashed potatoes, ½ cup green beans, 1 slice white bread, 1 pat of butter or margarine, one 3”x3” square of plain gelatin salad, 1/8 slice of 10: pie, and 1 cup of coffee



# The market basket

Cafeteria food item	Portion size	Raw	Discount	Full
Boneless skinless chicken breast	5 oz.(precooked weight)	\$.59	\$1.50	\$1.88
Whipped mashed potatoes	½ cup	\$.05	\$.55	\$.69
Green Beans	½ cup	\$.16	\$.55	\$.69
White bread	1 slice	\$.02	\$.16	\$.20
Butter/margarine	1 pat	\$.02	\$.00	\$.00
Gelatin salad (plain)	3"X3 square	\$.22	\$.45	\$.56
Pie (piece)	1/8 slice	\$.37	\$.70	\$.88
Coffee	1 cup	\$.18	\$.45	\$.56
Total of the above		\$1.61	\$4.36	\$5.46
Percent of Café transactions			83%	17%
			(a) \$3.62	(b) \$.93
Weighted café meal price			\$4.94	



# The results

- Market Basket
  - Cash from sales=\$40,000
  - Transactions= 17,316
  - Market basket= **\$4.94**
  - Meal equiv.= **8,097**
- Average Cash Café Trans.
  - Cash from sales=\$40,000
  - Transactions= 17,316
  - Average Trans.= **\$2.31**
  - Meal equiv.= **17,316**

What happens when you do  
not separate out your floor  
stock...etc costs?

Your food cost for non-patient  
meals goes up

# Floor stock...example

- **No separation**
  - Food costs=\$63,869
  - Floor stock= \$0
  - % meals patients=38%
  - % meals non-pts=62%
  - Patient meals=19,768
  - Non-pt.meals-32,253
  - Food cost
    - Non-Patient ml= \$1.33
- **Separated**
  - Food costs=\$56,157
  - Floor stock= \$7,713
  - % meals patients=38%
  - % meals non-pts=62%
  - Patient meals=19,768
  - Non-pt.meals-32,253
  - Food cost
    - Non-Patient ml= \$1.08



# What happens when you don't separate clinical dietitian salary costs and productive labor hours?

- Not separating clinical productive labor hours can mean your meals per productive labor hour are 14% lower. (7.70 vs. 8.85)
- Not separating clinical salary costs can mean your labor cost per patient day is 15% higher (\$16.19 vs. \$13.71)

# Foregone Revenue...catering

- Policy is you bill at food cost
  - Catering billing for the month= \$2,500.00
- Put the transfer/credit you receive in transfers/credits
- Take food cost *times* 2.75= \$6,875.00
  - Subtract the transfer/credit permitted= \$2,500.00
  - Foregone Revenue is \$4,375.00
- You get meal equivalents for the \$6,875 divided by your average cash café transaction



# Foregone Revenue

- The catering differential
- Free soft drinks for all
- Free coffee for all
- Free Meals including employees in food service department
- Employee Discounts
- Vending
- Where do you put ER cookies?



# Foregone Revenue

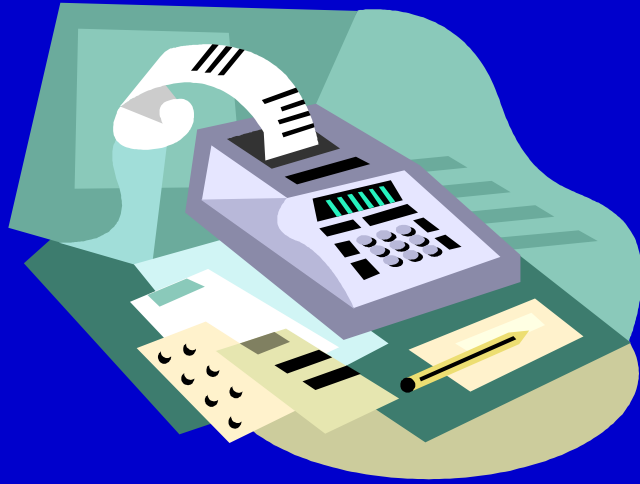
<u>Licensed Beds</u>	<u>Foregone per patient day</u>	<u>Monthly Foregone Revenue</u>	<u>Annual Foregone Revenue</u>
0-150	\$4.11	\$6,807.10	\$81,685.20
151-300	\$4.06	\$19,555.11	\$234,661.32
301-450	\$3.29	\$25,222.32	\$302,667.80
>450	\$1.82	\$27,933.84	\$335,202.48

# Transfers/Credits/Forgone \$

<u>Licensed Beds</u>	<u>Regular Credits Per Pat Day</u>	<u>Annual Regular Credits</u>	<u>Floor Stock Credits Pat/Day</u>	<u>Annual Floor Stock Credits</u>	<u>Foregone Revenue Pat/Day</u>	<u>Annual Foregone Revenue</u>	<u>Total of all Per Patient Day</u>	<u>Annual Total for all</u>
<b>0-150</b>	\$4.57	\$90,828	\$2.44	\$48,494	\$4.11	\$81,685	\$11.12	<b>\$227,007</b>
<b>151-300</b>	\$4.12	\$238,130	\$2.03	\$112,331	\$4.06	\$234,661	\$10.21	<b>\$585,122</b>
<b>301-450</b>	\$4.98	\$458,142	\$2.03	\$186,753	\$3.29	\$302,668	\$10.30	<b>\$947,563</b>
<b>&gt;450</b>	\$5.57	\$1,025,867	\$1.46	\$268,899	\$1.82	\$335,202	\$8.85	<b>\$1,629,968</b>

# What You Report...Acute

1. Licensed beds
2. Food Cost (except nourishments, supplements, floor stock, tube feedings)
3. Food Cost (nourishments, supplements, floor stock, tube feedings)
4. Labor Cost (except clinical dietitians, no fringes)
5. Labor Cost (clinical dietitians only, no fringe)
6. Supply Costs
7. Other Direct Costs
8. Productive Labor Hrs. (except clinical dietitians)
9. Productive Labor Hrs. (clinical dietitians only)
10. Patient Days (month)
11. % of Meals to Patients
12. Total Patient Meals
13. Café (Yes or No)
14. Café Cash
15. Catering Cash
16. Other Cash
17. Café Cash Transactions
18. Transfers/Credits(except nourishments, supplements, floor stock, tube feedings)
19. Foregone Revenues
20. Transfers/Credits ( only nourishments, supplements, floor stock, tube feedings)
21. Catering Markup % (over food cost)
22. Buying Group Name
23. Primary Distributor



# The Worksheet

# What You Get Monthly...Acute

- 18 financial and productivity results for all participants by bed size, separated for those who do and do not operate a café.
  - 1-150 beds, 151-300 beds, 301-450 beds, 450+beds.
  - 25<sup>th</sup>, 50<sup>th</sup>, and 75<sup>th</sup> percentile results for each bed size group.
  - The ability to participate in patient and café customer satisfaction programs.
  - The ability to network with all participants.



# The 18 financial and productivity results...acute

1. ID # (yours and other participants')
2. Total Patient Days
3. % Meals Served to Patients
4. Patient Meals per Patient Day
5. Total Meals per Patient Day
6. \$ Cost for each Meal Served
7. Food Cost per Patient Day
8. Labor Cost per Patient Day (excludes dietitian costs)
9. Supply Cost per Patient Day
10. Floor Stock, Nourishment, Supplement, Tube Feeding Cost per Patient Day
11. \$ Transfers/Credit per Patient Day
12. Lost Revenue per Patient Day
13. Net Cost per Patient Day
14. Net of Cash per Patient Day
15. Dietitian Hours per Patient Day
16. Average Cash Café Transaction
17. Meals per Productive Labor Hour (excludes dietitian hours)
18. Labor Hours per Meal (excluded dietitian costs)

# What you report...patient satisfaction

## *General Information*

- You must participate in EXPRESS™ financial and productivity program first.
- Everyone uses the same questions
- Report quarterly your answers to 8 questions about quality of food, appearance, flavor & taste, temperature, choices, received what was ordered, courtesy of person delivering, and special diet explanation.
- Pass trays, beds divided by 2= minimum # of surveys (example 100 beds=50 surveys)
- Do not pass trays, beds divided by 4=minimum # of surveys. (Example 100 beds= 25 completed surveys)
- Reports sent with same licensed bed size breakouts as financial and productivity benchmarking

# Patient Satisfaction...you report

1. Bed size range
2. Take meal orders with FS Dept. staff (*Yes or No*)
3. Pass Trays (*Yes or No*)
4. Offer Patients Menu Choices (*Yes or No*)
5. FS Dept. has responsibility for explaining special diets (*Yes or No*)
6. Total number of fully completed surveys
7. Fully Completed Survey Responses for each of 8 questions
  1. Greatly exceeded expectations
  2. Exceeded expectations
  3. Met expectations
  4. Did not meet expectations
  5. Total for each question

# Patient Satisfaction...your report

1. Your ID #
2. Pass trays (Y or N)
3. # of surveys
4. Offer Choices (Y or N)
5. Diet Explained by staff ( Y or N)
6. Food quality %
7. Meal appearance %
8. Food flavor & taste %
9. Food temperature %
10. Choices %
11. Got what was ordered %
12. Server courtesy %
13. Diet explained %
14. Overall score %
15. Meals per labor hour from your financial and productivity reports,no clinical dietitians.
16. Percent of total meals to patients from your financial and productivity reports.
17. Cost per patient meal calculated from your monthly financial and productivity reports.

# IT HAPPENS AT THE BEDSIDE



- Increase the face time
- Increase the service level
- Script the personnel
- “Is there anything you need I have the time”
- Get the staff out of the kitchen and at the bedside

# What you report...café customer satisfaction

## *General Information*

- You must participate in EXPRESS™ financial and productivity program first.
- Everyone uses the same questions
- Report quarterly your answers to 9 questions about appearance of the food, flavor and taste, promptness of service, choices available, cleanliness, portion sizes, helpfulness of staff, satisfaction with the dining room, value of the meal.
- Must have 100 completed surveys for each six month period.

# Café Customer Satisfaction... you report

## 1. Fully Completed Survey Responses for each of 9 questions

1. Excellent
2. Very good
3. Good
4. Fair
5. Poor
6. Total for each question



# Café Customer Satisfaction...

## your report

1. Your ID #
2. # of surveys
3. Appearance of food %
4. Flavor and taste %
5. Promptness of service %
6. Choices available %
7. Cleanliness %
8. Portion sizes %
9. Staff helpfulness %
10. Value of the meal %
11. Satisfaction with dining room %
12. Overall score %
13. Meals per labor hour from your financial and productivity reports, no clinical dietitians.
14. Average cash café transaction amount from your monthly financial and productivity reports.
15. Cost per meal calculated from your monthly financial and productivity reports.



# Facility Profile

*No longer optional!*

# HFM EXPRESS PROFILE

1. **HFM EXPRESS™** Facility ID NO.
2. **Type of Facility:** **Check One**: Acute Care Hospital ☐ Extended Care ☐ Mixed ☐
3. **Location:** Urban ☐ Rural ☐ Suburban ☐
4. **Geography:** Northeast ☐ Middle Atlantic ☐ Southeast ☐ Midwest ☐ Southwest ☐  
Mountain ☐ West ☐ Canada ☐
5. **Patient/Resident Meal Production:** Cook-Chill ☐ Traditional ☐ Other ☐
6. **Provide Cafeteria services:** Yes ☐ No ☐ If yes, how many locations:
7. **Type of Facility:** For Profit ☐ Non-Profit ☐ Government ☐
8. **Labor:** Union ☐ Non-Union ☐
9. **Dietitians on Food Service Department Payroll:** Yes ☐ No ☐
10. **Dietitians Provide:** In- patient services ☐ Outpatient services ☐ Other services ☐
11. **Patient/Resident Menu Type:** Non-Select ☐ Select ☐ Restaurant Style ☐ Other ☐

## Acute Care and Mixed Facilities Only

### 12. Food Service Department Employees:

Take Patient Meal Orders: Yes ☐ No ☐

Deliver Patient Trays: Yes ☐ No ☐

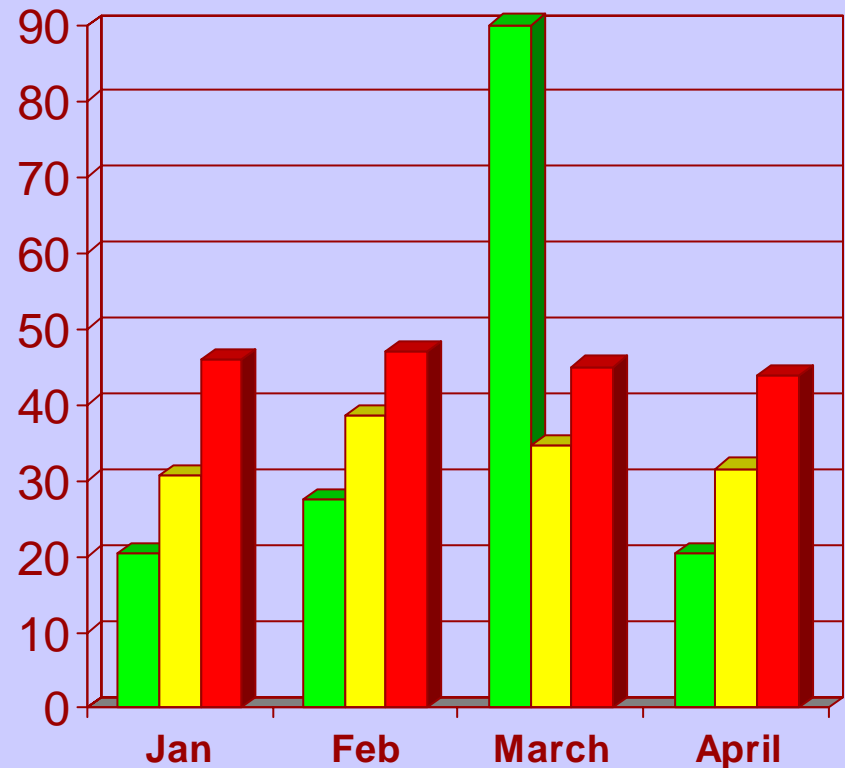
Pick Up Patient Trays: Yes ☐ No ☐



# Graph your Progress

- Your cost per meal
- Your meals per labor hour
- Your net cost per patient day

**Free on HFM web site**





**Remember the results do not  
measure “good vs. bad”, but  
“same vs. different”.**

# HFM EXPRESS™



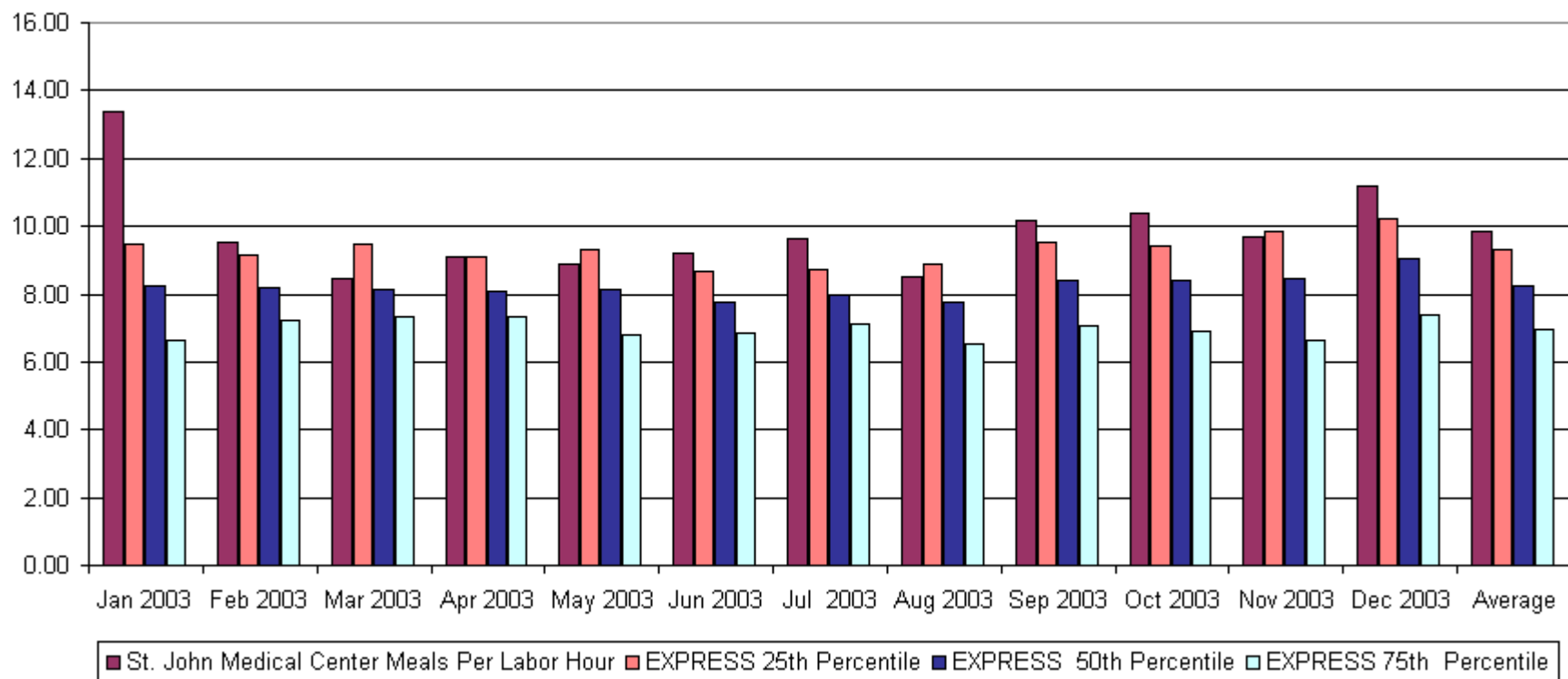
Benchmarking and Networking in 30 minutes or less.

# 2004 Changes

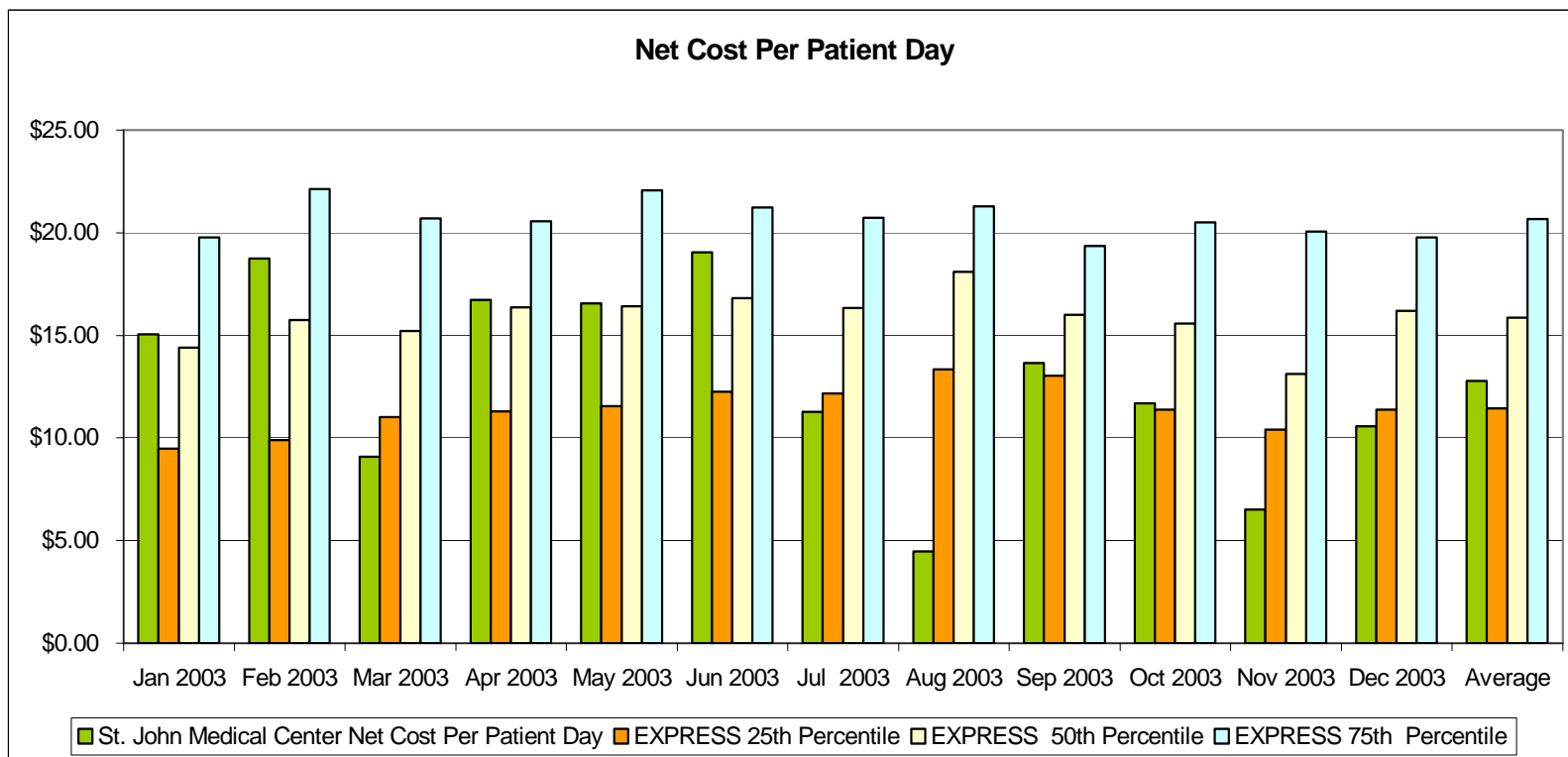
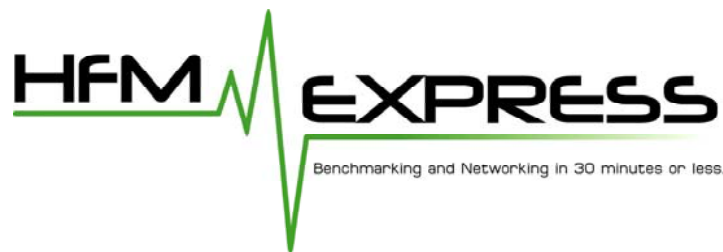
- Separate clinical salaries and productive work hours
- New web site
- Separate out dietitian costs and hours
- New worksheets and reporting forms
- New percentile explanation for Admin.
- New graphing options
- Changes in Satisfaction Programs
- New Operator Reports formats



### Meals Produced Per Labor Hour



# So...How do we COMPARE?





# Satisfaction Program Changes

- Patient Satisfaction
  - New questions
  - New worksheets
  - Pass Trays kick-out
  - Explain diets kick-out
  - Choices kick-out
  - New report form
  - #2 for HFM members
- Resident Satisfaction
  - New worksheets
  - New report form
  - #1 for HFM members
- Café Satisfaction
  - New worksheets
  - New report form

# Coming Soon

- Worksheets and reporting forms will have line numbers that match
- Extended care cash cafes will be able to participate in EXPRESS™ café satisfaction
- Implement recommendations made at this user group session

# 2003 results (acute with café)

	<b>1-150 beds</b>	<b>151-300 beds</b>	<b>301-450 beds</b>	<b>450+ beds</b>
% Pat. Mls	26.45%	29.74%	26.96%	28.96%
% café mls	35.52%	36.64%	40.11%	36.69%
% mls.\$ cater.	.63%	1.66%	1.39%	1.94%
% mls credits	13.65%	12.04%	13.27%	16.04%
% mls. Lost \$	12.64%	12.04%	18.27%	5.16%
% mls other\$	11.11%	7.88%	0%	11.21%
Mls pat/day	14.59	13.21	13.9	12.61

# 2003 results (acute with café)

	<b>1-150 beds</b>	<b>151-300 beds</b>	<b>301-450 beds</b>	<b>450+ beds</b>
Av.café trans \$	\$2.18	\$2.37	\$2.49	\$2.78
Credits pat/day	\$4.34	\$4.38	\$4.59	\$5.62
Lost \$ pat/day	\$4.02	\$3.77	\$3.47	\$1.81
\$ Floor stock pat/day	\$1.92	\$1.83	\$1.86	\$1.38
\$ credits floor stock pat/day	\$.22	\$2.38	\$2.23	\$1.62
Floor stock % of pat meals	22.81%	19.63%	19.93%	13.63%
\$ other p/day	\$3.50	\$2.19	\$3.12	\$2.90
\$ cater p/day	\$.20	\$.37	\$.43	\$.68

# 2003 results (acute with café)

	<b>1-150 beds</b>	<b>151-300 beds</b>	<b>301-450 beds</b>	<b>450+ beds</b>
Pat mls p/day	<b>3.86</b>	<b>3.93</b>	<b>3.75</b>	<b>3.65</b>
\$ food p/ml	<b>\$1.19</b>	<b>\$1.24</b>	<b>\$1.24</b>	<b>\$1.44</b>
\$ labor p/ml	<b>\$1.76</b>	<b>\$1.63</b>	<b>\$1.53</b>	<b>\$2.99</b>
\$ other p/ml	<b>\$.32</b>	<b>\$.27</b>	<b>\$.30</b>	<b>\$.36</b>
\$labor p/p hr	<b>\$12.16</b>	<b>\$12.38</b>	<b>\$12.64</b>	<b>\$13.37</b>
Meals p/p hr	<b>6.89</b>	<b>7.62</b>	<b>8.26</b>	<b>8.08</b>
\$ per meal	<b>\$3.40</b>	<b>\$3.28</b>	<b>\$3.21</b>	<b>\$3.32</b>
\$ Net p/day	<b>\$28.29</b>	<b>\$21.20</b>	<b>\$19.17</b>	<b>\$16.96</b>

# **Why #s are important**

- Contractor offers \$8.52 per patient day for patient meals (food only, no floor stock or nourishments, no doctors lounge)
- Contractor keeps all other revenues
- Offers to pay penalty to GPO
- \$1 million “free” capital

# 2003 results (acute w/o café)

	<b>1-150 beds</b>	<b>151-300 beds</b>	<b>301-450 beds</b>	<b>450+ beds</b>
% Pat. Mls	<b>91.24%</b>	<b>98.14%</b>	<b>96.28%</b>	<b>56.38%</b>
% café mls	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>
% mls.\$ cater.	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
% mls credits	<b>2.05%</b>	<b>.90%</b>	<b>.85%</b>	<b>7.24%</b>
% mls. Lost \$	<b>4.60%</b>	<b>.96%</b>	<b>1.24%</b>	<b>6.48%</b>
% mls other\$	<b>2.11%</b>	<b>0%</b>	<b>1.63%</b>	<b>29.90%</b>
Mls pat/day	<b>4.08</b>	<b>3.78</b>	<b>3.58</b>	<b>7.06</b>
\$ pat/day	<b>\$ .00</b>	<b>\$ .00</b>	<b>\$ .00</b>	<b>\$ .00</b>

# 2003 results (acute w/o café)

	<b>1-150 beds</b>	<b>151-300 beds</b>	<b>301-450 beds</b>	<b>450+ beds</b>
Av.café trans \$	NA	NA	NA	NA
Credits pat/day	<b>\$.14</b>	<b>\$.00</b>	<b>\$.05</b>	<b>\$.07</b>
Lost \$ pat/day	<b>\$.32</b>	<b>\$.07</b>	<b>\$.07</b>	<b>\$3.55</b>
\$ Floor stock pat/day	<b>\$.81</b>	<b>\$.68</b>	<b>\$1.15</b>	<b>\$1.61</b>
\$ credits floor stock pat/day	<b>\$.80</b>	<b>\$.65</b>	<b>\$.99</b>	<b>\$.58</b>
Floor stock % of pat meals	<b>12.76%</b>	<b>10.86%</b>	<b>19.75%</b>	<b>23.98%</b>
\$ other p/day	<b>\$.15</b>	<b>\$.05</b>	<b>\$.10</b>	<b>\$3.55</b>
\$ cater p/day	<b>\$.00</b>	<b>\$.00</b>	<b>\$.00</b>	<b>\$.00</b>



# 2003 results (acute w/o café)

	<b>1-150 beds</b>	<b>151-300 beds</b>	<b>301-450 beds</b>	<b>450+ beds</b>
Pat mls p/day	3.78	3.71	3.45	3.98
\$ food p/ml	\$1.44	\$1.54	\$1.33	\$1.05
\$ labor p/ml	\$5.99	\$5.17	\$3.99	\$5.99
\$ other p/ml	\$.28	\$.28	\$.32	\$.36
\$labor p/p hr	\$16.29	\$16.96	\$18.37	\$17.52
Meals p/p hr	2.72	3.26	4.61	5.86
\$ per meal	\$7.90	\$7.17	\$5.97	\$4.52
\$ Net p/day	\$32.12	\$26.97	\$21.18	\$24.70

**HFM**

**NATIONAL SOCIETY**

**Healthcare Food Service  
M A N A G E M E N T**



**Especially for healthcare food service decision makers who demonstrate the value of being independent; HFM is the first and only healthcare management society providing superior advocacy and targeted management tools to decrease costs, increase patient staff and visitor satisfaction and define exemplary operating performance.**